H-0392.2				

HOUSE BILL 1922

State of Washington 57th Legislature 2001 Regular Session

By Representatives Linville, Kagi, Ruderman, Simpson, Dunshee, Murray, Keiser, Rockefeller, Ogden and Wood

Read first time 02/08/2001. Referred to Committee on Agriculture & Ecology.

- 1 AN ACT Relating to the reduction of greenhouse gases affecting
- 2 climate change; adding a new chapter to Title 70 RCW; providing an
- 3 effective date; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The legislature makes the following 6 findings:
- 7 (1) The overwhelming majority of scientific opinion, as
- 8 expressed in a recent consensus report of the world's climate
- 9 research community, has concluded that significant climate change
- 10 arising from greenhouse gases generated by human activity is
- 11 already underway.
- 12 (2) The best available analyses by northwest climate experts
- 13 now indicate a projected doubling of carbon dioxide in the
- 14 atmosphere is now expected to increase the average temperature in
- 15 Washington state four to seven degrees over the next fifty
- 16 years. This is the same amount of heating that normally occurs over
- 17 a ten thousand to twenty thousand-year period and is expected to
- 18 create:

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- 1 (a) Substantial change in the timing, intensity, and 2 distribution of the state's precipitation;
 - (b) Substantial reduction in the state's total snow pack;
- 4 (c) A thirty to fifty-percent reduction of the natural flow of the Columbia river during the summer; and
- 6 (d) Significant sea level rise around the state, including 7 Puget Sound, for centuries to come.
- 8 (3) Such changes are likely to have major, adverse impacts on
- 9 the state's: (a) Water supply; (b) ability to generate
- 10 hydroelectricity; (c) air quality; (d) transportation; (e)
- 11 infectious diseases and public health; (f) agriculture; (g)
- 12 forestry; (h) fisheries; (i) coastal infrastructure; (j)
- 13 recreation; and (k) all natural ecosystems including designated
- 14 wilderness.

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- 15 (4) Carbon dioxide, created by the burning of fossil fuels, is
- 16 by far the largest source of disrupting greenhouse gases. Current
- 17 trends indicate that, within fifty to one hundred years, there
- 18 will be a doubling of atmospheric carbon dioxide over the
- 19 preindustrial year of 1800. These trends, if left unchecked, will
- 20 lead to a tripling and quadrupling of atmospheric carbon dioxide
- 21 over the next century. Stabilizing the atmospheric concentration at
- 22 twice the current level will require a worldwide capping of the
- 23 growth of emissions within forty years with a reduction of
- 24 emissions of over eighty percent thereafter.
- 25 (5) There has been a breakdown in global leadership on this
- 26 issue and a response from the United States congress, commensurate
- 27 with the risks associated here, is not currently foreseeable. The
- 28 citizens of Washington state have consistently demonstrated
- 29 extraordinary scientific, technological, visionary, and creative
- 30 leadership. This kind of leadership is necessary to successfully
- 31 engage the entire global community in addressing climate
- 32 change. Consequently, the state of Washington shall strive to emit
- 33 no net greenhouse gas emissions by the year 2020.
- 34 (6) The citizens of Washington state are being asked to host an
- 35 enormous number of new fossil fuel power plants that will increase
- 36 the state's total greenhouse gas emissions by over thirty percent
- 37 within the next few years. These plants are projected to emit the

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- 1 equivalent emissions of five and one-half million cars. Over eighty-
- 2 six percent of the state's emissions of dangerous greenhouse
- 3 gases are from just two sectors, electricity and transportation.
- 4 (7) Polluters should normally be expected, as a cost of doing
- 5 business, to pay the cost to clean up or mitigate their pollution,
- 6 and that the failure to regulate pollution by greenhouse gases
- 7 will impact future generations for at least four hundred years. The
- 8 cost of mitigating greenhouse gas emissions from natural gas
- 9 plants and transportation is generally expected to cost between
- 10 three and six percent of the price of the electricity and
- 11 fuel. Mitigation costs from polluters can be used to dramatically
- 12 develop and promote the large-scale availability of cost-
- 13 effective, clean electricity and transportation in Washington
- 14 state. For purposes of this subsection only, "greenhouse gases"
- 15 shall include all gases identified for regulation, as of January
- 16 1, 2001, by the United Nations framework convention on climate
- 17 change.
- 18 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply
- 19 throughout this chapter unless the context clearly requires
- 20 otherwise.
- 21 (1) "Board" means the board of directors of the Washington
- 22 climate center.
- 23 (2) "Center" means the Washington climate center.
- 24 (3) "Climate change" means a change of climate attributed
- 25 directly or indirectly to human activity that alters the
- 26 composition of the global atmosphere.
- 27 (4) "Emissions" means the release of greenhouse gases.
- 28 (5) "Emitter" means the entity releasing greenhouse gases. The
- 29 "emitter" for:
- 30 (a) Transportation fuels shall be that party which sells the
- 31 fuel, not the purchaser; and
- 32 (b) Electricity produced outside of Washington state, shall be
- 33 the wholesale seller.
- 34 (6) "Greenhouse gases" includes only the following gases:
- 35 Carbon dioxide (CO2), methane and natural gas (CH4), and nitrous
- 36 oxide (N2O). All carbon neutral emissions are exempt from this
- 37 chapter, these are: Emissions of carbon dioxide from sources that

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- 1 originally captured the carbon from the atmosphere or hydrosphere
- 2 within the last five hundred years. This includes, but is not
- 3 limited to, human or animal respiration and the burning of
- 4 biofuels.
- 5 (7) "Mitigate" emissions means to eliminate, or capture-and-
- 6 store, or to ensure the elimination or capturing and storing of,
- 7 greenhouse gases.
- 8 (8) "Most cost-effective" means obtaining the greatest
- 9 reductions in greenhouse gases per dollar spent.
- 10 (9) "Permanent" mitigation means to avoid, or remove,
- 11 greenhouse gases from the atmosphere for a period in excess of two
- 12 hundred years.
- 13 (10) "Short-term" mitigation means to avoid, or remove,
- 14 greenhouse gases from the atmosphere for a period of two hundred
- 15 years or less.
- 16 <u>NEW SECTION.</u> **Sec. 3.** The state legislature authorizes the
- 17 establishment of an independent, nonprofit organization known as
- 18 the Washington climate center to serve as a central clearinghouse
- 19 for all climate change activities in the state.
- 20 <u>NEW SECTION.</u> **Sec. 4.** The center shall be funded through: (1)
- 21 Cash and in-kind contributions; and (2) administrative fees for
- 22 services as provided in this chapter.
- NEW SECTION. Sec. 5. (1) The activities of the center shall be
- 24 directed by a board of directors selected by the governor, for
- 25 terms of four years, beginning November 1, 2001. The board shall
- 26 include no less than eleven members as follows:
- 27 (a) One member from the majority party of both the house of
- 28 representatives and senate;
- 29 (b) One member from the minority party of both the house of
- 30 representatives and senate;
- 31 (c) One member from the office of the commissioner of public
- 32 lands;
- 33 (d) Two members from the nonprofit, climate sector;
- 34 (e) Two members from the business sector; and
- 35 (f) Two members from the climate academic sector.

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- 1 (2) The board shall retain and assign staff and volunteers as
- 2 the board deems necessary. A vote of a majority of the members of
- 3 the board shall bind the board.
- 4 NEW SECTION. Sec. 6. (1) The duties of the center may
- 5 include, but are not limited to:
- 6 (a) Determining current and projected emissions of greenhouse
- 7 gases in the state;
- 8 (b) Collecting and sharing scientific and technological data
- 9 related to climate change;
- 10 (c) Assisting and collecting all climate contingency planning
- 11 in the state;
- 12 (d) Advising relevant sectors of prospective commercial
- 13 opportunities;
- 14 (e) Studying and recommending, by January 30, 2002, avenues
- 15 capping the total amount of greenhouse gas emissions in the state
- 16 by December 31, 2003;
- 17 (f) Studying and recommending, by June 30, 2002, the most cost-
- 18 effective methods for eliminating all net greenhouse gas emissions
- 19 in the state by December 31, 2020;
- 20 (g) Studying and recommending, by January 1, 2002, the most
- 21 cost-effective methods for reducing greenhouse gas emissions from
- 22 the transportation sector consistent with federal law;
- (h) Certifying the extent and degree of mitigation projects;
- (i) Ensuring adequate monitoring and verification of mitigation
- 25 projects;
- 26 (j) Serving as a central, independent registry for the trading
- 27 of emissions credits; and
- 28 (k) Submitting a report of progress to the legislature by
- 29 December 31st of each year.
- 30 (2) The center shall:
- 31 (a) Draft and publish its rules of operation, calculations, and
- 32 methods;
- 33 (b) Accomplish any other duty assigned to it by the legislature
- 34 for which adequate funding is provided; and
- 35 (c) Provide an annual report to the governor and legislature by
- 36 December 31st regarding the implementation of this chapter.
- 37 (3) The center may also:

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- 1 (a) Identify key sectors within the state likely to be affected 2 adversely by climate change;
- 3 (b) Notify and convene meetings of key members of those 4 sectors;
- 5 (c) Provide relevant scientific and technological information 6 to the public and key sectors;
- 7 (d) Support a collaborative response to assist those sectors; 8 and
- 9 (e) Assist in the creation of effective contingency planning 10 for those sectors.
- 11 (4) The following agencies and programs shall work with the 12 center to establish contingency planning under subsection (3) of
- 13 this section: The department of community, trade, and economic
- 14 development, the department of ecology, the department of
- 15 transportation, and the Washington State University energy
- 16 program.
- 17 <u>NEW SECTION.</u> **Sec. 7.** (1) All emitters of greenhouse gases from
- 18 the production of electricity and the burning of transportation
- 19 fuels are required to mitigate their emissions effective January
- 20 1, 2002.
- 21 (2) Emissions of greenhouse gases from all other sectors,
- 22 including, but not limited to, agriculture, aluminum, cement,
- 23 forestry, natural gas for heating, and solid waste are exempt from
- 24 the provisions of this chapter through the year 2006. The board may
- 25 extend all or part of the exemption if it believes the state can
- 26 attain a level of no net greenhouse gas emissions by the year 2020
- 27 without directly addressing emissions from those sectors.
- 28 (3) Emitters shall either: (a) Secure their own mitigation
- 29 projects; or (b) remit the cost of mitigation to the center for
- 30 selection of mitigation projects. Any and all emissions credits
- 31 earned as a result of mitigation secured through the center shall
- 32 be owned by the citizens of the state of Washington, not the
- 33 emitter.
- 34 (4) While emitters may support mitigation projects outside the
- 35 state of Washington, for purposes of this chapter, only those
- 36 mitigation projects located within the state of Washington shall
- 37 qualify as mitigating emissions.

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1 (5) The center shall:

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- 2 (a) Determine and certify the amount of mitigation accomplished by any mitigation project; 3
- 4 (b) Determine what, if any, monitoring and verification is required for any mitigation project and assign the costs of monitoring and verification to the emitter; and
- 7 (c) For any mitigation projects not completed within two 8 calendar years of the calendar year of the emissions, set a 9 standard and discount the future value of projects taking more 10 than two years to mitigate.
- (6) All entities engaged in, or purchasing, mitigation projects 11 12 shall remit to the center a sum equivalent to five percent of the 13 cost of the mitigation projects for administrative purposes.
- <u>NEW SECTION.</u> **Sec. 8.** (1) To encourage emitters to plan and 14 substitute clean technologies, any emitter choosing to purchase 15 16 mitigation through the center for the years 2002 through 2005, 17 shall pay the following prices:
- 18 (a) For the year 2002 - two dollars per ton;
- (b) For the year 2003 three dollars per ton; 19
- (c) For the year 2004 four dollars per ton; and 20
- (d) For the year 2005 five dollars per ton. 21
- (2)(a) By January 1st of every other year, beginning in 2004, 22 23 the board shall recommend to the legislature: (i) The price of 24 mitigation projects paid through the center effective two years 25 thereafter, and (ii) what, if any, portion of the mitigation funds 26 should be used for mitigation projects outside the state of
- Washington. 27
- (b) In making its recommendations, the board shall be guided by 28 29 the commitment that: (i) Washington state emit no net greenhouse gas emissions by the year 2020 or earlier, (b) the price shall 30 increase by at least one dollar per year, and (c) clean and 31 efficient technologies in Washington state shall be supported. 32
- 33 (3) The center shall use all mitigation funds, not including 34 administrative or verification fees, to purchase or otherwise secure the most cost-effective, permanent mitigation projects 35 available within Washington state. 36

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- 1 (4) To facilitate this transition, for calendar years 2002 2 through 2005, the center shall direct additional assistance to the
- 3 following sectors in Washington state as follows:
- 4 (a) Seven and one-half percent of mitigation funds, not
- 5 including administrative or verification fees, to support the most
- 6 effective, short-term mitigation projects presented by the
- 7 forestry and agriculture sectors of Washington state; and
- 8 (b) Seven and one-half percent of all mitigation funds, not
- 9 including administrative or verification fees, to support the most
- 10 effective proposals presented by the energy conservation and
- 11 renewable energy sectors in Washington state that would not
- 12 otherwise qualify on cost-competitive grounds under subsection (3)
- 13 of this section.
- 14 (5) Effective January 2006, while additional or continued
- 15 assistance may be provided to these sectors, that assistance shall
- 16 in no way reduce, directly or indirectly, the complete and full
- 17 permanent mitigation of emissions.
- 18 <u>NEW SECTION.</u> **Sec. 9.** Any person may privately enforce in the
- 19 superior court any mandatory provision of this chapter by: (1)
- 20 Giving the alleged violator written notice of the allegation; and
- 21 (2) providing the alleged violator with forty-five days to comply
- 22 with the terms of this chapter. If the alleged violator still does
- 23 not appear to have complied with this chapter, any person may
- 24 bring an action against the alleged violator. The prevailing party
- 25 is entitled to costs and attorneys' fees.
- 26 NEW SECTION. Sec. 10. Sections 1 through 9 of this act
- 27 constitute a new chapter in Title 70 RCW.
- 28 <u>NEW SECTION.</u> **Sec. 11.** This act is necessary for the immediate
- 29 preservation of the public peace, health, or safety, or support of
- 30 the state government and its existing public institutions, and
- 31 takes effect July 1, 2001.

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